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RUCNCIS/CIS COLLECTIVE PRIORITY  
RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY  
RUEHAD/AMEMBASSY ABU DHABI PRIORITY 0412  
RUEHAK/AMEMBASSY ANKARA PRIORITY 4100  
RUEHBJ/AMEMBASSY BEIJING PRIORITY 1915  
RUEHKL/AMEMBASSY KUALA LUMPUR PRIORITY 0207  
RUEHKO/AMEMBASSY TOKYO PRIORITY 1780  
RUEHIT/AMCONSUL ISTANBUL PRIORITY 2349  
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RHEFDIA/DIA WASHDC PRIORITY  
RUEKJCS/JOINT STAFF WASHDC PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY  
RUEKJCS/SECDEF WASHDC PRIORITY  
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY  
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY

C O N F I D E N T I A L ASHGABAT 000996

SIPDIS

STATE FOR SCA/CEN, EEB  
PLEASE PASS TO USTDA DAN STEIN  
ENERGY FOR EKIMOFF/THOMPSON  
COMMERCE FOR HUEPER

E.O. 12958: DECL: 07/31/2018

TAGS: [PREL](#) [PGOV](#) [EPET](#) [TX](#)

SUBJECT: TURKMENISTAN: STATE AGENCY HEAD TELLS CHEVRON IT  
WILL BE READY TO BEGIN TALKS SOON

REF: A. ASHGABAT 686  
[1](#)B. ASHGABAT 684  
[1](#)C. ASHGABAT 626  
[1](#)D. ASHGABAT 588  
[1](#)E. ASHGABAT 457

Classified By: Charge d'Affaires Sylvia Reed Curran for reason 1.4(B) and (D).

[1](#)1. (C) During a brief July 31 meeting, Chevron's AMCIT country manager told emboff that he had a very positive July 30 meeting with the Executive Director of Turkmenistan's State Agency for Management and Use of Hydrocarbon Resources, Bayrammurat Muradov. This was the second meeting between the two men in two weeks. Although Muradov had expressed doubts that a proposed visit by Chevron Vice President Jay Pryor would work for September 8, he promised to look for alternative dates in the first half of September, when President Berdimuhamedov would be available to meet with Pryor. Muradov also suggested that the State Agency will be ready to start discussing Chevron's proposal in seven to ten days. Although Muradov doubted that the State Agency would agree to a production sharing agreement (PSA), he believed that Turkmenistan would be willing to consider either a risk service agreement or joint venture. The Chevron country manager told emboff that his company would be willing to consider almost any type of agreement, which is long-term, would allow Chevron to book reserves, and would offer up a fair economic return, including either of the types that Muradov said might be possible. Grinning, the country manager parroted to emboff words that she had often told him -- that "it pays to be patient!"

[1](#)2. (C) The Chevron representative also reported that the new U.S.-Turkmenistan Business Council had just held its first meeting in Washington. Chevron's Washington representative is the fledgling body's chairman. The council is working on a letter to Turkmenistan's Ambassador to the United Nations inviting President Berdimuhamedov to speak at a council lunch

in New York when he attends the UN General Assembly session in September.

13. (C) COMMENT: Chevron has reason to be pleased: as reported reftels, it has been disappointed by the government's refusal up to now to begin negotiations on Chevron's proposal to work onshore, sub-salt gas fields. The fact that Muradov expects to be able to begin discussions in a week or so is the strongest indication yet that Berdimuhamedov may finally have taken in the crisis that Turkmenistan will shortly face in meeting its already contracted export commitments (septel) and has decided to reverse the country's ban on onshore production by foreign companies. But even if Turkmenistan is able to reach onshore production agreements relatively quickly with Chevron and other major oil companies (and this may be unlikely, given how long its negotiations with ConocoPhillips/Lukoil have dragged on), it will still face a five- to ten-year gap before those companies will be prepared to bring production into full gear. END COMMENT.  
CURRAN